



stepping up

LOANED EXECUTIVE PROGRAMS AS A TOOL TO IMPROVE COMMUNITY CAPACITY

After Katrina, foundations found numerous ways to keep resident voices in the rebuilding process. One innovative investment: Loaned Executives. The strategy worked and proved loaned executives can be vital tools—even outside disasters—for sparking community transformation.

A Report from the Foundation for the Mid South



INTRODUCTION

LOANED EXECUTIVES are a venerable tradition. United Way pioneered the model more than fifty years ago as a way to bring business expertise and cachet to bear in the world of nonprofits. Loaned executives brought connections, resources, leadership, and fresh ideas, usually to annual fund drives. But much has changed. Today philanthropies are adopting the model and adapting it to the needs of public institutions and community nonprofits. Foundations are increasingly deploying their own senior staff on loan and funding loaned business and nonprofit executives to help build organizational and community capacity, shape new policies, and move crucial initiatives forward. The contributions of the loaned executives range far beyond traditional fundraising. Today they are being employed—at little or no cost to the host organization—to share a lifetime of learning in an effort to build strong teams, families, and communities.

In the aftermath of Katrina and Rita, philanthropies sought ways to help communities and institutions in the Gulf, not only get back on their feet, but rebuild, maybe better than before. One innovative solution was to fund the salaries of loaned executives from business, nonprofits, and philanthropy to help with the effort.

This report examines one loaned executive initiative launched in the wake of the disastrous storms of 2005. The initiative was designed to help the City of New Orleans build its capacity after the loss of nearly 30 percent of its municipal staff. The

effort was supported by the Foundation for the Mid South, with help from the Ford Foundation and the Bill and Melinda Gates Foundation. The Rockefeller Foundation, Louisiana Disaster Recovery Foundation, and The Greater New Orleans Foundation also supported loaned executives. While our joint effort focused on rebuilding a public institution in the wake of a catastrophic disaster, the model has applications in non-crisis contexts as well. Rural communities without broad human expertise and material resources; community organizations in need of seasoned perspectives and know-how to take their work to the next level; and public institutions in a position to move beyond business-as-usual could all benefit from the assistance of loaned executives. We hope our story and the lessons learned in this report will inform future philanthropic efforts to shape effective, thoughtful loaned executive programs with the goal of improving organizational and community capacity.





WHAT WE SET OUT TO DO In spring 2006, philanthropic leaders attended a breakfast in New Orleans to hear an address by Mayor Ray Nagin about the city's recovery efforts in the wake of hurricanes Katrina and Rita. Mayor Nagin explained his desire to create an office of recovery to lead the city's recovery and transformation efforts. But with 30 percent of the municipal budget gone after the storms and limited financial resources, the challenge ahead was immense. Foundations and private organizations had been generous with donations and emergency aid. But the lack of human and management expertise hindered progress, he told his audience.

- Act as a liaison on behalf of the city with regional, state, and federal agencies on matters related to the recovery.

The Foundation for the Mid South found that the Loaned Executive Program with the City of New Orleans was an effective strategy that produced tangible results. The presence of the loaned executives—with their skills, leadership, resources, and connections—helped key departments within the city to move forward with

The Loaned Executive Program

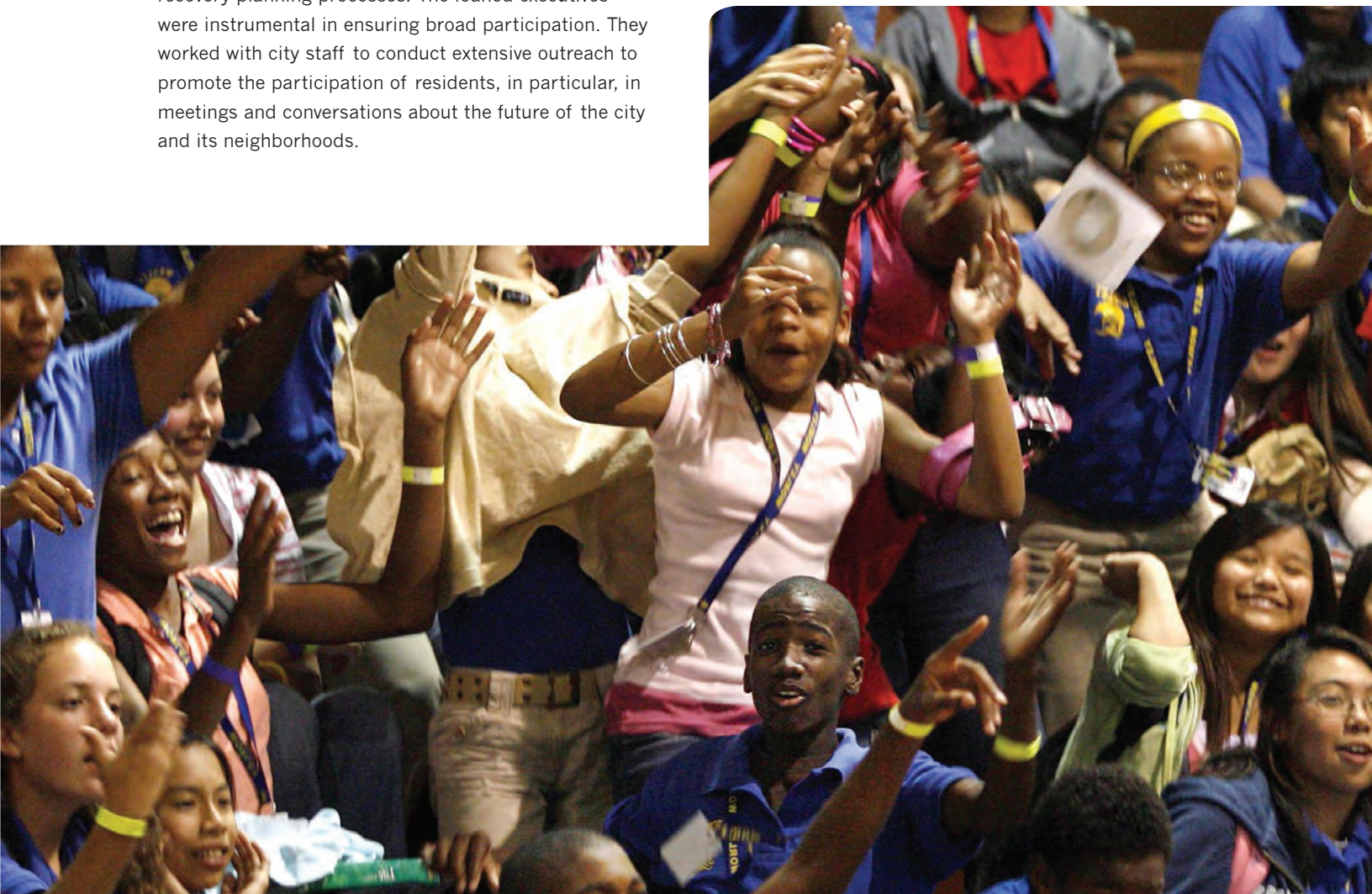
Goals

- The people who live in the place know best. They know best what they need, they know what their priorities may be, and they know best how to address some of those issues. It's important that you have the voices of those most affected provide their opinions.

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rebuilding efforts in a more timely and effective way. The overarching results of their work are listed below.

- Loaned executives helped build and strengthen the city's capacity to coordinate and direct the recovery efforts by providing leadership in the development of the Target Area Development Plan (TADP): Action Plan for Recovery. The Action Plan for Recovery reflects a long-term vision for the city as well as more immediate recommendations for recovery and rebuilding. The plan includes 169 short-, mid-, and long-term trigger projects in 17 target areas designed to enhance public projects, support private sector recovery and economic redevelopment, and create equitable and sustainable housing opportunities.
- Loaned executives helped build and strengthen the city's capacity by providing leadership for outreach and communications efforts to engage residents in the recovery planning processes. The loaned executives were instrumental in ensuring broad participation. They worked with city staff to conduct extensive outreach to promote the participation of residents, in particular, in meetings and conversations about the future of the city and its neighborhoods.
- Loaned executives helped to institutionalize policies and procedures for future disaster response and recovery operations with the establishment of several new agencies within the city and with leadership development and training for permanent staff. The loaned executives were instrumental in the development and implementation of citywide policies and programs relating to environmental impacts, energy, and mitigation issues.
- The loaned executives played a strong role in establishing effective working relationships between state and federal agencies and the city, which was essential to ensuring that monies and other resources were available for the recovery efforts in a timely manner.





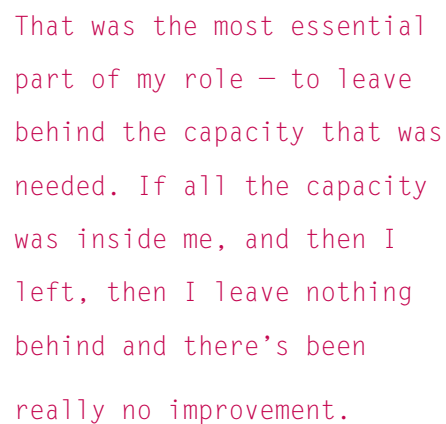
ACCOMPLISHMENTS

The men and women who took on the challenges of building and strengthening the city's capacity to respond to Katrina and Rita made significant contributions. In reflecting on the experience, the loaned executives pointed to the following examples as successful instances in which they were able to influence, guide, and assist the city government and its recovery efforts.

- The loaned executives played a critical role in the reorganization of the city's recovery efforts. They set up offices and hired staff (85 percent of them local). Additionally, because most of the loaned executives were from New Orleans, they remained in the area and continued to provide institutional and historical knowledge to the ongoing efforts after leaving the program.
- Loaned executive Dr. Earthea Nance, who served as Director of Infrastructure and Environmental Planning for the City of New Orleans, realized there was no city structure dealing with disaster mitigation and environmental issues. Nance set up a community-based center on the environment in the Treme section of the city and secured Bush-Clinton Katrina Fund money to create a "Greening NOLA" program. Nance worked with Jessie Smallwood, another loaned executive, to embed civil service hiring and compensation guidelines into the organizational structure to allow the city to attract qualified staff. They now work in the newly established Disaster Mitigation Branch of the Office of Emergency Management.
- Loaned executives established a number of policies, procedures, and agencies that are likely to be sustained in the future. In addition to establishing the Disaster Mitigation Branch, which is an essential element in a city that is located in a prime hurricane zone and near wetlands, the loaned executives were instrumental in establishing the Office of Neighborhoods within City Hall.
- In 2007, the Office of Recovery Development and Administration staff needed human resources to help get a thorough picture of the condition of the city, in order to estimate the cost of rebuilding. Loaned executives and other key partners in this effort contacted universities around the country and recruited twenty-three urban planning students to come to the city and organize documents that would meet FEMA's rules and regulations. The students took pictures, collected city records on property appraisals, and cataloged properties. Their work supported a planning document that was submitted to the Louisiana Recovery Authority for approval and opened the door for the initial \$411 million grant to begin recovery. The funds enabled the Office of Recovery Development and Administration to hire permanent staff and begin its projects.
- The loaned executives had connections and relationships that enabled them to help secure additional resources for New Orleans from foundations and the public sector. The city now has relationships that may be leveraged over the long term. The loaned executives also were willing to reach out to people they knew with experience crucial to disaster recovery, such as former HUD Secretary Henry Cisneros, bankers, and housing experts, who were recruited to serve as pro bono and paid consultants to the recovery effort.
- After city employees made undocumented purchases (which could not be reimbursed by FEMA), the Office of Recovery Development and Administration brought in an expert to address issues and create procedures related to reimbursement from FEMA. That position is now permanently housed in the city's Capital Improvement Department.



- Loaned executives with a connection to a city or region may have an advantage in understanding the social, cultural, and political realities and be better able to gain the trust of co-workers and partners more quickly and therefore carry out their work more effectively. On the other hand, “insiders” from the region may feel constrained by those same norms and relationships and be unable to move ahead with as much freedom as an “outsider.” What is crucial for all loaned executives, from the region or elsewhere, is to bring a leadership style that is inclusive, nurtures local talent, encourages and listens to a range of voices, and builds leadership capacity in others who will remain after they’ve gone.
- All loaned executives should be encouraged to find a local protégé to mentor as a way to build organizational and community capacity.
- Budgets for all partners involved should be clearly identified and defined in a timely manner.
- For the loaned executives to be effective in any organization, clear delineation of roles and responsibilities should be established to ensure effective communications to all parties involved.
- Goals and expectations of loaned executives should be defined in the very beginning of the partnership.
- Time and tenure of loaned executives should be clearly established from the beginning. Because loaned executives are there to lend their expertise, they should exit when their contracts have expired. Even if the work is not complete, the executives should prepare to transition the work in a timely as well as effective and efficient manner.

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LOANED EXECUTIVE PROGRAMS

are an increasingly vital tool for helping organizations and institutions build capacity and become stronger. Philanthropies have an opportunity to make a significant impact on organizations, institutions, and communities by loaning their own senior staff and by funding loaned executive programs. Our model developed in response to the desire to assist a city government after a disaster. But the model has much broader application.

Leaders from business, philanthropy, and the nonprofit world have a wealth of knowledge, connections, and experience to share. Mid-career and retired executives, especially, are in a position to make significant contributions, and can be deployed for extended periods to help rural communities, regions hit by disasters, and community organizations and public institutions do a better job. The challenges can be considerable, but the rewards are real and generous and can have a lasting impact.

New Orleans would have begun to find its way to recovery and a fresh start without loaned executives. But the city and its residents got there more quickly, with broader local input and more durable institutions and systems in place because of the talents and leadership of a cadre of loaned executives who stepped up to the task.

Foundation for the Mid South

134 East Amite St. Jackson, MS 39201
ph 601.355.8167 fx 601.355.6499